

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

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212 428-1000

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GEORGE T. LOWY
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DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
HERBERT L. CAMP
ALLEN FINKELSON

RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
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ALAN C. STEPHENSON
JOSEPH A. MULLINS
MAX R. SHULMAN
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER
EVAN R. CHESLER
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D. COLLIER KIRKHAM
MICHAEL L. SCHLER
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B. ROBBINS KIESSLING
ROGER D. TURNER
PHILIP A. GELSTON
RORY O. MILLSON
NEIL P. WESTREICH
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JAMES D. COOPER
STEPHEN L. GORDON
ROBERT A. KINDLER
DANIEL L. MOSLEY
GREGORY M. SHAW
PETER S. WILSON

RECORDATION NO. 15268-C Filed 12/22/87

DEC 22 1987 - 11 53 AM '87

INTERSTATE-COMMERCE COMMISSION

No. 7-356A016

Date DEC 22 1987

Fee \$/0.00

ICC Washington, D. C.

ICC OFFICE OF
THE SECRETARY
DEC 22 11 53 AM '87
REGISTRATING UNIT

December 21, 1987

Amendment Agreement No. 1 Dated as of December 1, 1987
Amending Reconstruction and Conditional Sale Agreement
Filed Under Recordation No. 15268 and
Lease of Railroad Equipment Filed under
Recordation No. 15268-A

Dear Ms. McGee:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Grand Trunk Western Railroad Company for filing and recordation counterparts of the following document:

Amendment Agreement No. 1 dated as of December 1, 1987, among Grand Trunk Western Railroad Company, as Lessee or Builder or Seller, Mercantile-Safe Deposit and Trust Company, as Agent, Manubank Leasing Corporation, as Vendee, and Principal Mutual Life Insurance Company, as Investor.

Amendment Agreement No. 1 amends a Reconstruction and Conditional Sale Agreement and Lease of Railroad Equipment each dated as of June 1, 1987, previously filed and recorded with the Interstate Commerce Commission on July 21, 1987, at 2:45 p.m., Recordation No. 15268.

Counterpart -
Maurice Flowers

Thank this will
be 15268-C

The Amendment Agreement amends the Reconstruction and Conditional Sale Agreement and the Lease of Railroad Equipment to adjust the Amortization Schedule and the Basic Rental and Casualty Value percentages.

The Amendment Agreement contains the signatures of each party to the Reconstruction and Conditional Sale Agreement and the Lease and each of those signatures are notarized. The Amendment Agreement also contains signatures of other parties for the purpose of amending a related Participation Agreement which is not a document on file with the Commission and, accordingly, such signatures are not, and are not required to be, notarized.

Please file and record the Amendment Agreement submitted with this letter and assign it Recordation Number 15268-C.

Enclosed is a check for \$10 payable to the Interstate Commerce Commission for the recordation fee for the Amendment Agreement.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich
Laurance V. Goodrich
as Agent for
Grand Trunk Western
Railroad Company

Noreta R. McGee, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

encls.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Laurance V. Goodrich
One Chase Manhattan Plaza
New York, NY 10005

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/22/87 at 11:55AM, and assigned re-recording number(s) 15268-C

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

RECORDATION NO. 15768-C
DEC 22 1987 - 11 15 AM
INTERSTATE COMMERCE COMMISSION

AMENDMENT AGREEMENT, No 1 dated as of December 1, 1987 among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Agent"); GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Lessee" or the "Builder" or the "Seller"); MANUBANK LEASING CORPORATION, a Michigan corporation (the "Vendee" or the "Lessor"); GRAND TRUNK CORPORATION, a Delaware corporation, (the "Guarantor"); and PRINCIPAL MUTUAL LIFE INSURANCE COMPANY (with its successors and assigns, collectively the "Investors" and individually an "Investor").

WHEREAS each of the parties hereto has entered into a Participation Agreement dated as of June 1, 1987 (the "Participation Agreement");

WHEREAS the Agent, the Builder and the Vendee have entered into a Reconstruction and Conditional Sale Agreement dated as of June 1, 1987 (the "RCSA");

WHEREAS the Lessee and the Vendee have entered into a Lease of Railroad Equipment dated as of June 1, 1987 (the "Lease");

WHEREAS the Lessee and the Lessor have entered into a Tax Indemnity Agreement dated as of June 1, 1987 (the "Tax Indemnity Agreement");

WHEREAS the RCSA and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 on July 21, 1987, at 2:45 p.m., recordation number 15268-A, and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on July 21, 1987, at 11:15 a.m.;

WHEREAS pursuant to Paragraph 16 of the Participation Agreement the parties hereto have acknowledged the need to amend the Participation Agreement, the RCSA and the Lease to achieve certain predetermined economics upon the identification of a number of variables which were unknown at the time the Participation Agreement was executed;

WHEREAS those variables affecting the Vendee's Original Return (as defined in the Participation Agreement) have now been determined; and

NOW THEREFORE, the parties hereto agree as follows:

1. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Participation Agreement.

2. The second paragraph of the Participation Agreement is amended by substituting "78.541759" for "78.05785".

3. Paragraph 11 of the Participation Agreement is amended by adding the following sentence at the end thereof:

"Notwithstanding the above, the Lessee shall pay costs and expenses incurred pursuant to subparagraphs (i), (ii), (iii), (iv), (vi) and (viii) in excess of \$41,459.85."

4. The fourth paragraph of Paragraph 12 of the Participation Agreement is amended to read as follows:

"All documents and funds deliverable hereunder or under the Documents to the Lessee shall be delivered to it at its address at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration, or as the Lessee may otherwise specify."

5. Paragraph 16 of the Participation Agreement is deleted.

6. Paragraph 3 of Article 3 of the RCSA is amended by substituting "78.541759" for "78.05785".

7. Subparagraph (c) of Article 20 of the RCSA is amended to read as follows:

"(c) to the Builder and the Lessee, at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration,"

8. Schedule I to the RCSA is hereby amended to read as set forth in Schedule I hereto.

9. Subparagraph (b) of Section 16 of the Lease is amended to read as follows:

"(b) if to the Lessee, at 1333 Brewery Park
Boulevard, Detroit, Michigan 48207, attention of
Contract Administration,"

10. Schedule B to the Lease is hereby amended to read as set forth in Schedule B attached hereto.

11. Schedule C to the Lease is hereby amended to read as set forth in Schedule C attached hereto.

12. The Documents are each hereby amended so that any reference to any Document contained in any Document is hereby deemed to refer to such Document as amended hereby.

13. The terms of this Amendment Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof as shall be conferred by the laws of the several jurisdictions in which this Amendment Agreement shall be filed, recorded or deposited.

14. Except as amended hereby, the Documents shall remain unaltered and in full force and effect.

15. The Vendee will promptly cause this Amendment Agreement to be filed with the Interstate Commerce Commission in accordance with the provisions of Article 17 of the RCSA.

16. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be single instrument. It shall not be necessary that any counterpart be signed by all parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IT WITNESS WHEREOF, the parties hereto have caused

this Amendment Agreement to be executed by duly authorized officers or other persons, as of the date first above written.


MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capacity
but solely as Agent,

by


Vice President

[Seal]

Attest:


Corporate Trust
Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

Senior Vice President-
Finance

[Corporate Seal]

Attest:

Assistant Secretary

MANUBANK LEASING CORPORATION,

by

President

[Corporate Seal]

Attest:

Secretary

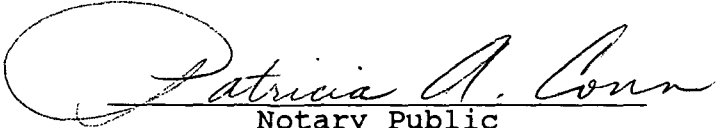
PRINCIPAL MUTUAL LIFE INSURANCE
COMPANY,

by

by

STATE OF MARYLAND,)
)
CITY OF BALTIMORE,)

On this 7th day of December 1987, before me personally appeared R. E. Schreiber, to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[Notarial Seal]

My Commission Expires 7-1-90

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this _____ day of December 1987, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President-Finance of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission Expires _____

STATE OF MICHIGAN,)
)
COUNTY OF OAKLAND,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the President of MANUBANK LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of 9.90% CSA Indebtedness

Date		Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----		-----	-----	-----	-----
JAN 2	1988	*	*	\$0.00	\$1,000,000.00
JULY 2	1988	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JULY 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1990	\$76,287.90	\$49,500.00	\$26,787.90	\$973,212.10
JULY 2	1990	\$48,174.00	\$48,174.00	\$0.00	\$973,212.10
JAN 2	1991	\$95,736.18	\$48,174.00	\$47,562.18	\$925,649.92
JULY 2	1991	\$45,819.67	\$45,819.67	\$0.00	\$925,649.92
JAN 2	1992	\$98,090.50	\$45,819.67	\$52,270.83	\$873,379.09
JULY 2	1992	\$43,232.26	\$43,232.26	\$0.00	\$873,379.09
JAN 2	1993	\$243,236.03	\$43,232.26	\$200,003.77	\$673,375.32
JULY 2	1993	\$33,332.08	\$33,332.08	\$0.00	\$673,375.32
JAN 2	1994	\$148,246.39	\$33,332.08	\$114,914.31	\$558,461.01
JULY 2	1994	\$27,643.82	\$27,643.82	\$0.00	\$558,461.01
JAN 2	1995	\$154,527.11	\$27,643.82	\$126,883.29	\$431,577.72
JULY 2	1995	\$21,363.10	\$21,363.10	\$0.00	\$431,577.72
JAN 2	1996	\$161,462.01	\$21,363.10	\$140,098.91	\$291,478.81
JULY 2	1996	\$14,428.20	\$14,428.20	\$0.00	\$291,478.81
JAN 2	1997	\$169,119.21	\$14,428.20	\$154,691.01	\$136,787.80
JULY 2	1997	\$6,771.00	\$6,771.00	\$0.00	\$136,787.80
JAN 2	1998	\$143,558.80	\$6,771.00	\$136,787.80	\$0.00
		-----	-----	-----	
		\$1,679,528.26	\$679,528.26	\$1,000,000.00	
		=====	=====	=====	

SCHEDULE B TO LEASE

Basic Lease Rates for Schedule A Units

Date	Percentage of Purchase Price
JAN 2 1988	0.00000
JULY 2 1988	3.88782
JAN 2 1989	7.41514
JULY 2 1989	3.88782
JAN 2 1990	7.41514
JULY 2 1990	3.78368
JAN 2 1991	7.51929
JULY 2 1991	3.59876
JAN 2 1992	7.70421
JULY 2 1992	3.39554
JAN 2 1993	7.90742
JAN 2 1993	11.19677
JULY 2 1993	2.61797
JAN 2 1994	11.64354
JULY 2 1994	2.17120
JAN 2 1995	12.13684
JULY 2 1995	1.67790
JAN 2 1996	12.68152
JULY 2 1996	1.13322
JAN 2 1997	13.28293
JULY 2 1997	0.53181
JAN 2 1998	13.81465
JULY 2 1998	0.00000
	139.40317

IN
ARREARS

IN
ADVANCE

SCHEDULE C TO LEASE

Casualty Value Percentages Schedule

Casualty Payment Date	Percentage
-----	-----
JAN 2 1988	103.626785
JULY 2 1988	104.602599
JAN 2 1989	101.882011
JULY 2 1989	102.417555
JAN 2 1990	99.313083
JULY 2 1990	99.591912
JAN 2 1991	96.067993
JULY 2 1991	96.227238
JAN 2 1992	92.242170
JULY 2 1992	92.326137
JAN 2 1993	87.867335
JULY 2 1993	79.317706
JAN 2 1994	79.343288
JULY 2 1994	69.907662
JAN 2 1995	69.988038
JULY 2 1995	59.671889
JAN 2 1996	59.900693
JULY 2 1996	48.674407
JAN 2 1997	49.099497
JULY 2 1997	36.883487
JAN 2 1998	37.840918
JULY 2 1998	25.000000
JAN 2 1999	25.000000

AMENDMENT AGREEMENT, No 1 dated as of December 1, 1987 among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Agent"); GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Lessee" or the "Builder" or the "Seller"); MANUBANK LEASING CORPORATION, a Michigan corporation (the "Vendee" or the "Lessor"); GRAND TRUNK CORPORATION, a Delaware corporation, (the "Guarantor"); and PRINCIPAL MUTUAL LIFE INSURANCE COMPANY (with its successors and assigns, collectively the "Investors" and individually an "Investor").

WHEREAS each of the parties hereto has entered into a Participation Agreement dated as of June 1, 1987 (the "Participation Agreement");

WHEREAS the Agent, the Builder and the Vendee have entered into a Reconstruction and Conditional Sale Agreement dated as of June 1, 1987 (the "RCSA");

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WHEREAS the Lessee and the Lessor have entered into a Tax Indemnity Agreement dated as of June 1, 1987 (the "Tax Indemnity Agreement");

WHEREAS the RCSA and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 on July 21, 1987, at 2:45 p.m., recordation number 15268-A, and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on July 21, 1987, at 11:15 a.m.;

WHEREAS pursuant to Paragraph 16 of the Participation Agreement the parties hereto have acknowledged the need to amend the Participation Agreement, the RCSA and the Lease to achieve certain predetermined economics upon the identification of a number of variables which were unknown at the time the Participation Agreement was executed;

WHEREAS those variables affecting the Vendee's Original Return (as defined in the Participation Agreement) have now been determined; and

NOW THEREFORE, the parties hereto agree as follows:

1. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Participation Agreement.

2. The second paragraph of the Participation Agreement is amended by substituting "78.541759" for "78.05785".

3. Paragraph 11 of the Participation Agreement is amended by adding the following sentence at the end thereof:

"Notwithstanding the above, the Lessee shall pay costs and expenses incurred pursuant to subparagraphs (i), (ii), (iii), (iv), (vi) and (viii) in excess of \$41,459.85."

4. The fourth paragraph of Paragraph 12 of the Participation Agreement is amended to read as follows:

"All documents and funds deliverable hereunder or under the Documents to the Lessee shall be delivered to it at its address at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration, or as the Lessee may otherwise specify."

5. Paragraph 16 of the Participation Agreement is deleted.

6. Paragraph 3 of Article 3 of the RCSA is amended by substituting "78.541759" for "78.05785".

7. Subparagraph (c) of Article 20 of the RCSA is amended to read as follows:

"(c) to the Builder and the Lessee, at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration,"

8. Schedule I to the RCSA is hereby amended to read as set forth in Schedule I hereto.

9. Subparagraph (b) of Section 16 of the Lease is amended to read as follows:

"(b) if to the Lessee, at 1333 Brewery Park
Boulevard, Detroit, Michigan 48207, attention of
Contract Administration,"

10. Schedule B to the Lease is hereby amended to read as set forth in Schedule B attached hereto.

11. Schedule C to the Lease is hereby amended to read as set forth in Schedule C attached hereto.

12. The Documents are each hereby amended so that any reference to any Document contained in any Document is hereby deemed to refer to such Document as amended hereby.

13. The terms of this Amendment Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof as shall be conferred by the laws of the several jurisdictions in which this Amendment Agreement shall be filed, recorded or deposited.

14. Except as amended hereby, the Documents shall remain unaltered and in full force and effect.

15. The Vendee will promptly cause this Amendment Agreement to be filed with the Interstate Commerce Commission in accordance with the provisions of Article 17 of the RCSA.

16. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be single instrument. It shall not be necessary that any counterpart be signed by all parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IT WITNESS WHEREOF, the parties hereto have caused

this Amendment Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capacity
but solely as Agent,

by

Vice President

[Seal]

Attest:

Corporate Trust
Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

P. Z. Intw

Senior Vice President-
Finance

[Corporate Seal]

Attest:

[Signature]

Assistant Secretary

MANUBANK LEASING CORPORATION,

by

President

[Corporate Seal]

Attest:

Secretary

PRINCIPAL MUTUAL LIFE INSURANCE
COMPANY,

by

by

STATE OF MARYLAND,)
)
CITY OF BALTIMORE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this 7th day of December 1987, before me personally appeared *P.E. Tetro*, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President-Finance of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



Notary Public

[Notarial Seal]

My Commission Expires

J. A. BREWER
Notary Public, Wayne County, Mich.
My Commission Expires Oct. 15, 1989

STATE OF MICHIGAN,)
)
COUNTY OF OAKLAND,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the President of MANUBANK LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of 9.90% CSA Indebtedness

Date		Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----		-----	-----	-----	-----
JAN 2	1988	*	*	\$0.00	\$1,000,000.00
JULY 2	1988	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JULY 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1990	\$76,287.90	\$49,500.00	\$26,787.90	\$973,212.10
JULY 2	1990	\$48,174.00	\$48,174.00	\$0.00	\$973,212.10
JAN 2	1991	\$95,736.18	\$48,174.00	\$47,562.18	\$925,649.92
JULY 2	1991	\$45,819.67	\$45,819.67	\$0.00	\$925,649.92
JAN 2	1992	\$98,090.50	\$45,819.67	\$52,270.83	\$873,379.09
JULY 2	1992	\$43,232.26	\$43,232.26	\$0.00	\$873,379.09
JAN 2	1993	\$243,236.03	\$43,232.26	\$200,003.77	\$673,375.32
JULY 2	1993	\$33,332.08	\$33,332.08	\$0.00	\$673,375.32
JAN 2	1994	\$148,246.39	\$33,332.08	\$114,914.31	\$558,461.01
JULY 2	1994	\$27,643.82	\$27,643.82	\$0.00	\$558,461.01
JAN 2	1995	\$154,527.11	\$27,643.82	\$126,883.29	\$431,577.72
JULY 2	1995	\$21,363.10	\$21,363.10	\$0.00	\$431,577.72
JAN 2	1996	\$161,462.01	\$21,363.10	\$140,098.91	\$291,478.81
JULY 2	1996	\$14,428.20	\$14,428.20	\$0.00	\$291,478.81
JAN 2	1997	\$169,119.21	\$14,428.20	\$154,691.01	\$136,787.80
JULY 2	1997	\$6,771.00	\$6,771.00	\$0.00	\$136,787.80
JAN 2	1998	\$143,558.80	\$6,771.00	\$136,787.80	\$0.00
		-----	-----	-----	
		\$1,679,528.26	\$679,528.26	\$1,000,000.00	
		=====	=====	=====	

SCHEDULE B TO LEASE

Basic Lease Rates for Schedule A Units

Date	Percentage of Purchase Price
JAN 2 1988	0.00000
JULY 2 1988	3.88782
JAN 2 1989	7.41514
JULY 2 1989	3.88782
JAN 2 1990	7.41514
JULY 2 1990	3.78368
JAN 2 1991	7.51929
JULY 2 1991	3.59876
JAN 2 1992	7.70421
JULY 2 1992	3.39554
JAN 2 1993	7.90742
JAN 2 1993	11.19677
JULY 2 1993	2.61797
JAN 2 1994	11.64354
JULY 2 1994	2.17120
JAN 2 1995	12.13684
JULY 2 1995	1.67790
JAN 2 1996	12.68152
JULY 2 1996	1.13322
JAN 2 1997	13.28293
JULY 2 1997	0.53181
JAN 2 1998	13.81465
JULY 2 1998	0.00000
	139.40317

IN
ARREARS

IN
ADVANCE

SCHEDULE C TO LEASE

Casualty Value Percentages Schedule

Casualty Payment

Date	Percentage
-----	-----
JAN 2 1988	103.626785
JULY 2 1988	104.602599
JAN 2 1989	101.882011
JULY 2 1989	102.417555
JAN 2 1990	99.313083
JULY 2 1990	99.591912
JAN 2 1991	96.067993
JULY 2 1991	96.227238
JAN 2 1992	92.242170
JULY 2 1992	92.326137
JAN 2 1993	87.867335
JULY 2 1993	79.317706
JAN 2 1994	79.343288
JULY 2 1994	69.907662
JAN 2 1995	69.988038
JULY 2 1995	59.671889
JAN 2 1996	59.900693
JULY 2 1996	48.674407
JAN 2 1997	49.099497
JULY 2 1997	36.883487
JAN 2 1998	37.840918
JULY 2 1998	25.000000
JAN 2 1999	25.000000

AMENDMENT AGREEMENT, No 1 dated as of December 1, 1987 among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Agent"); GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Lessee" or the "Builder" or the "Seller"); MANUBANK LEASING CORPORATION, a Michigan corporation (the "Vendee" or the "Lessor"); GRAND TRUNK CORPORATION, a Delaware corporation, (the "Guarantor"); and PRINCIPAL MUTUAL LIFE INSURANCE COMPANY (with its successors and assigns, collectively the "Investors" and individually an "Investor").

WHEREAS each of the parties hereto has entered into a Participation Agreement dated as of June 1, 1987 (the "Participation Agreement");

WHEREAS the Agent, the Builder and the Vendee have entered into a Reconstruction and Conditional Sale Agreement dated as of June 1, 1987 (the "RCSA");

WHEREAS the Lessee and the Vendee have entered into a Lease of Railroad Equipment dated as of June 1, 1987 (the "Lease");

WHEREAS the Lessee and the Lessor have entered into a Tax Indemnity Agreement dated as of June 1, 1987 (the "Tax Indemnity Agreement");

WHEREAS the RCSA and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 on July 21, 1987, at 2:45 p.m., recordation number 15268-A, and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on July 21, 1987, at 11:15 a.m.;

WHEREAS pursuant to Paragraph 16 of the Participation Agreement the parties hereto have acknowledged the need to amend the Participation Agreement, the RCSA and the Lease to achieve certain predetermined economics upon the identification of a number of variables which were unknown at the time the Participation Agreement was executed;

WHEREAS those variables affecting the Vendee's Original Return (as defined in the Participation Agreement) have now been determined; and

NOW THEREFORE, the parties hereto agree as follows:

1. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Participation Agreement.

2. The second paragraph of the Participation Agreement is amended by substituting "78.541759" for "78.05785".

3. Paragraph 11 of the Participation Agreement is amended by adding the following sentence at the end thereof:

"Notwithstanding the above, the Lessee shall pay costs and expenses incurred pursuant to subparagraphs (i), (ii), (iii), (iv), (vi) and (viii) in excess of \$41,459.85."

4. The fourth paragraph of Paragraph 12 of the Participation Agreement is amended to read as follows:

"All documents and funds deliverable hereunder or under the Documents to the Lessee shall be delivered to it at its address at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration, or as the Lessee may otherwise specify."

5. Paragraph 16 of the Participation Agreement is deleted.

6. Paragraph 3 of Article 3 of the RCSA is amended by substituting "78.541759" for "78.05785".

7. Subparagraph (c) of Article 20 of the RCSA is amended to read as follows:

"(c) to the Builder and the Lessee, at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration,"

8. Schedule I to the RCSA is hereby amended to read as set forth in Schedule I hereto.

9. Subparagraph (b) of Section 16 of the Lease is amended to read as follows:

"(b) if to the Lessee, at 1333 Brewery Park
Boulevard, Detroit, Michigan 48207, attention of
Contract Administration,"

10. Schedule B to the Lease is hereby amended to read as set forth in Schedule B attached hereto.

11. Schedule C to the Lease is hereby amended to read as set forth in Schedule C attached hereto.

12. The Documents are each hereby amended so that any reference to any Document contained in any Document is hereby deemed to refer to such Document as amended hereby.

13. The terms of this Amendment Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof as shall be conferred by the laws of the several jurisdictions in which this Amendment Agreement shall be filed, recorded or deposited.

14. Except as amended hereby, the Documents shall remain unaltered and in full force and effect.

15. The Vendee will promptly cause this Amendment Agreement to be filed with the Interstate Commerce Commission in accordance with the provisions of Article 17 of the RCSA.

16. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be single instrument. It shall not be necessary that any counterpart be signed by all parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IT WITNESS WHEREOF, the parties hereto have caused

this Amendment Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capacity
but solely as Agent,

by

Vice President

[Seal]

Attest:

Corporate Trust
Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

Senior Vice President-
Finance

[Corporate Seal]

Attest:

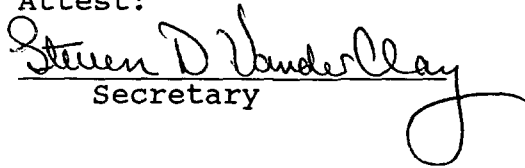
Assistant Secretary

MANUBANK LEASING CORPORATION,

by 
President

[Corporate Seal]

Attest:


Secretary

PRINCIPAL MUTUAL LIFE INSURANCE
COMPANY,

by _____

by _____

STATE OF MARYLAND,)
)
CITY OF BALTIMORE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Senior Vice President-Finance of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]


My Commission Expires

STATE OF MICHIGAN,)
)
COUNTY OF OAKLAND,)

On this 18th day of December 1987, before me personally appeared John C. Verdon, to me personally known, who, being by me duly sworn, says that he is the President of MANUBANK LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My Commission Expires


Notary Public
BERTHA SLAY
Notary Public, Oakland County, MI
My Commission Expires July 2, 1991

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of 9.90% CSA Indebtedness

Date		Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----		-----	-----	-----	-----
JAN 2	1988	*	*	\$0.00	\$1,000,000.00
JULY 2	1988	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JULY 2	1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2	1990	\$76,287.90	\$49,500.00	\$26,787.90	\$973,212.10
JULY 2	1990	\$48,174.00	\$48,174.00	\$0.00	\$973,212.10
JAN 2	1991	\$95,736.18	\$48,174.00	\$47,562.18	\$925,649.92
JULY 2	1991	\$45,819.67	\$45,819.67	\$0.00	\$925,649.92
JAN 2	1992	\$98,090.50	\$45,819.67	\$52,270.83	\$873,379.09
JULY 2	1992	\$43,232.26	\$43,232.26	\$0.00	\$873,379.09
JAN 2	1993	\$243,236.03	\$43,232.26	\$200,003.77	\$673,375.32
JULY 2	1993	\$33,332.08	\$33,332.08	\$0.00	\$673,375.32
JAN 2	1994	\$148,246.39	\$33,332.08	\$114,914.31	\$558,461.01
JULY 2	1994	\$27,643.82	\$27,643.82	\$0.00	\$558,461.01
JAN 2	1995	\$154,527.11	\$27,643.82	\$126,883.29	\$431,577.72
JULY 2	1995	\$21,363.10	\$21,363.10	\$0.00	\$431,577.72
JAN 2	1996	\$161,462.01	\$21,363.10	\$140,098.91	\$291,478.81
JULY 2	1996	\$14,428.20	\$14,428.20	\$0.00	\$291,478.81
JAN 2	1997	\$169,119.21	\$14,428.20	\$154,691.01	\$136,787.80
JULY 2	1997	\$6,771.00	\$6,771.00	\$0.00	\$136,787.80
JAN 2	1998	\$143,558.80	\$6,771.00	\$136,787.80	\$0.00
		-----	-----	-----	
		\$1,679,528.26	\$679,528.26	\$1,000,000.00	
		=====	=====	=====	

SCHEDULE B TO LEASE

Basic Lease Rates for Schedule A Units

Date	Percentage of Purchase Price
JAN 2 1988	0.00000
JULY 2 1988	3.88782
JAN 2 1989	7.41514
JULY 2 1989	3.88782
JAN 2 1990	7.41514
JULY 2 1990	3.78368
JAN 2 1991	7.51929
JULY 2 1991	3.59876
JAN 2 1992	7.70421
JULY 2 1992	3.39554
JAN 2 1993	7.90742
JAN 2 1993	11.19677
JULY 2 1993	2.61797
JAN 2 1994	11.64354
JULY 2 1994	2.17120
JAN 2 1995	12.13684
JULY 2 1995	1.67790
JAN 2 1996	12.68152
JULY 2 1996	1.13322
JAN 2 1997	13.28293
JULY 2 1997	0.53181
JAN 2 1998	13.81465
JULY 2 1998	0.00000
	139.40317

IN
ARREARS

IN
ADVANCE

SCHEDULE C TO LEASE

Casualty Value Percentages Schedule

Casualty Payment Date	Percentage
-----	-----
JAN 2 1988	103.626785
JULY 2 1988	104.602599
JAN 2 1989	101.882011
JULY 2 1989	102.417555
JAN 2 1990	99.313083
JULY 2 1990	99.591912
JAN 2 1991	96.067993
JULY 2 1991	96.227238
JAN 2 1992	92.242170
JULY 2 1992	92.326137
JAN 2 1993	87.867335
JULY 2 1993	79.317706
JAN 2 1994	79.343288
JULY 2 1994	69.907662
JAN 2 1995	69.988038
JULY 2 1995	59.671889
JAN 2 1996	59.900693
JULY 2 1996	48.674407
JAN 2 1997	49.099497
JULY 2 1997	36.883487
JAN 2 1998	37.840918
JULY 2 1998	25.000000
JAN 2 1999	25.000000

AMENDMENT AGREEMENT, No 1 dated as of December 1, 1987 among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (the "Agent"); GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Lessee" or the "Builder" or the "Seller"); MANUBANK LEASING CORPORATION, a Michigan corporation (the "Vendee" or the "Lessor"); GRAND TRUNK CORPORATION, a Delaware corporation, (the "Guarantor"); and PRINCIPAL MUTUAL LIFE INSURANCE COMPANY (with its successors and assigns, collectively the "Investors" and individually an "Investor").

WHEREAS each of the parties hereto has entered into a Participation Agreement dated as of June 1, 1987 (the "Participation Agreement");

WHEREAS the Agent, the Builder and the Vendee have entered into a Reconstruction and Conditional Sale Agreement dated as of June 1, 1987 (the "RCSA");

WHEREAS the Lessee and the Vendee have entered into a Lease of Railroad Equipment dated as of June 1, 1987 (the "Lease");

WHEREAS the Lessee and the Lessor have entered into a Tax Indemnity Agreement dated as of June 1, 1987 (the "Tax Indemnity Agreement");

WHEREAS the RCSA and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 on July 21, 1987, at 2:45 p.m., recordation number 15268-A, and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on July 21, 1987, at 11:15 a.m.;

WHEREAS pursuant to Paragraph 16 of the Participation Agreement the parties hereto have acknowledged the need to amend the Participation Agreement, the RCSA and the Lease to achieve certain predetermined economics upon the identification of a number of variables which were unknown at the time the Participation Agreement was executed;

WHEREAS those variables affecting the Vendee's Original Return (as defined in the Participation Agreement) have now been determined; and

NOW THEREFORE, the parties hereto agree as follows:

1. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Participation Agreement.

2. The second paragraph of the Participation Agreement is amended by substituting "78.541759" for "78.05785".

3. Paragraph 11 of the Participation Agreement is amended by adding the following sentence at the end thereof:

"Notwithstanding the above, the Lessee shall pay costs and expenses incurred pursuant to subparagraphs (i), (ii), (iii), (iv), (vi) and (viii) in excess of \$41,459.85."

4. The fourth paragraph of Paragraph 12 of the Participation Agreement is amended to read as follows:

"All documents and funds deliverable hereunder or under the Documents to the Lessee shall be delivered to it at its address at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration, or as the Lessee may otherwise specify."

5. Paragraph 16 of the Participation Agreement is deleted.

6. Paragraph 3 of Article 3 of the RCSA is amended by substituting "78.541759" for "78.05785".

7. Subparagraph (c) of Article 20 of the RCSA is amended to read as follows:

"(c) to the Builder and the Lessee, at 1333 Brewery Park Boulevard, Detroit, Michigan 48207, attention of Contract Administration,"

8. Schedule I to the RCSA is hereby amended to read as set forth in Schedule I hereto.

9. Subparagraph (b) of Section 16 of the Lease is amended to read as follows:

"(b) if to the Lessee, at 1333 Brewery Park
Boulevard, Detroit, Michigan 48207, attention of
Contract Administration,"

10. Schedule B to the Lease is hereby amended to read as set forth in Schedule B attached hereto.

11. Schedule C to the Lease is hereby amended to read as set forth in Schedule C attached hereto.

12. The Documents are each hereby amended so that any reference to any Document contained in any Document is hereby deemed to refer to such Document as amended hereby.

13. The terms of this Amendment Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof as shall be conferred by the laws of the several jurisdictions in which this Amendment Agreement shall be filed, recorded or deposited.

14. Except as amended hereby, the Documents shall remain unaltered and in full force and effect.

15. The Vendee will promptly cause this Amendment Agreement to be filed with the Interstate Commerce Commission in accordance with the provisions of Article 17 of the RCSA.

16. This Amendment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be single instrument. It shall not be necessary that any counterpart be signed by all parties so long as each party shall deliver a counterpart signed by it to Cravath, Swaine & Moore, special counsel for the Agent.

IT WITNESS WHEREOF, the parties hereto have caused

this Amendment Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
not in its individual capacity
but solely as Agent,

by

Vice President

[Seal]

Attest:

Corporate Trust
Officer

GRAND TRUNK WESTERN RAILROAD
COMPANY,

by

Senior Vice President-
Finance

[Corporate Seal]

Attest:

Assistant Secretary

MANUBANK LEASING CORPORATION,

by

President

[Corporate Seal]

Attest:

Secretary

PRINCIPAL MUTUAL LIFE INSURANCE
COMPANY,

by Dennis D. Ballard DENNIS D. BALLARD, Assistant Counsel
by Karen E. Shaff KAREN E. SHAFF, Associate Counsel

STATE OF MARYLAND,)
)
CITY OF BALTIMORE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Senior Vice President-Finance of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF MICHIGAN,)
)
COUNTY OF OAKLAND,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the President of MANUBANK LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of 9.90% CSA Indebtedness

Date	Debt Service	Interest Payment	Principal Payment	Unpaid Principal
-----	-----	-----	-----	-----
JAN 2 1988	*	*	\$0.00	\$1,000,000.00
JULY 2 1988	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2 1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JULY 2 1989	\$49,500.00	\$49,500.00	\$0.00	\$1,000,000.00
JAN 2 1990	\$76,287.90	\$49,500.00	\$26,787.90	\$973,212.10
JULY 2 1990	\$48,174.00	\$48,174.00	\$0.00	\$973,212.10
JAN 2 1991	\$95,736.18	\$48,174.00	\$47,562.18	\$925,649.92
JULY 2 1991	\$45,819.67	\$45,819.67	\$0.00	\$925,649.92
JAN 2 1992	\$98,090.50	\$45,819.67	\$52,270.83	\$873,379.09
JULY 2 1992	\$43,232.26	\$43,232.26	\$0.00	\$873,379.09
JAN 2 1993	\$243,236.03	\$43,232.26	\$200,003.77	\$673,375.32
JULY 2 1993	\$33,332.08	\$33,332.08	\$0.00	\$673,375.32
JAN 2 1994	\$148,246.39	\$33,332.08	\$114,914.31	\$558,461.01
JULY 2 1994	\$27,643.82	\$27,643.82	\$0.00	\$558,461.01
JAN 2 1995	\$154,527.11	\$27,643.82	\$126,883.29	\$431,577.72
JULY 2 1995	\$21,363.10	\$21,363.10	\$0.00	\$431,577.72
JAN 2 1996	\$161,462.01	\$21,363.10	\$140,098.91	\$291,478.81
JULY 2 1996	\$14,428.20	\$14,428.20	\$0.00	\$291,478.81
JAN 2 1997	\$169,119.21	\$14,428.20	\$154,691.01	\$136,787.80
JULY 2 1997	\$6,771.00	\$6,771.00	\$0.00	\$136,787.80
JAN 2 1998	\$143,558.80	\$6,771.00	\$136,787.80	\$0.00
	-----	-----	-----	
	\$1,679,528.26	\$679,528.26	\$1,000,000.00	
	=====	=====	=====	

SCHEDULE B TO LEASE

Basic Lease Rates for Schedule A Units

Date	Percentage of Purchase Price
JAN 2 1988	0.00000
JULY 2 1988	3.88782
JAN 2 1989	7.41514
JULY 2 1989	3.88782
JAN 2 1990	7.41514
JULY 2 1990	3.78368
JAN 2 1991	7.51929
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JAN 2 1993	11.19677
JULY 2 1993	2.61797
JAN 2 1994	11.64354
JULY 2 1994	2.17120
JAN 2 1995	12.13684
JULY 2 1995	1.67790
JAN 2 1996	12.68152
JULY 2 1996	1.13322
JAN 2 1997	13.28293
JULY 2 1997	0.53181
JAN 2 1998	13.81465
JULY 2 1998	0.00000

139.40317	
=====	

IN
ARREARS

IN
ADVANCE

• SCHEDULE C TO LEASE

Casualty Value Percentages Schedule

Casualty Payment Date	Percentage
-----	-----
JAN 2 1988	103.626785
JULY 2 1988	104.602599
JAN 2 1989	101.882011
JULY 2 1989	102.417555
JAN 2 1990	99.313083
JULY 2 1990	99.591912
JAN 2 1991	96.067993
JULY 2 1991	96.227238
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JULY 2 1996	48.674407
JAN 2 1997	49.099497
JULY 2 1997	36.883487
JAN 2 1998	37.840918
JULY 2 1998	25.000000
JAN 2 1999	25.000000